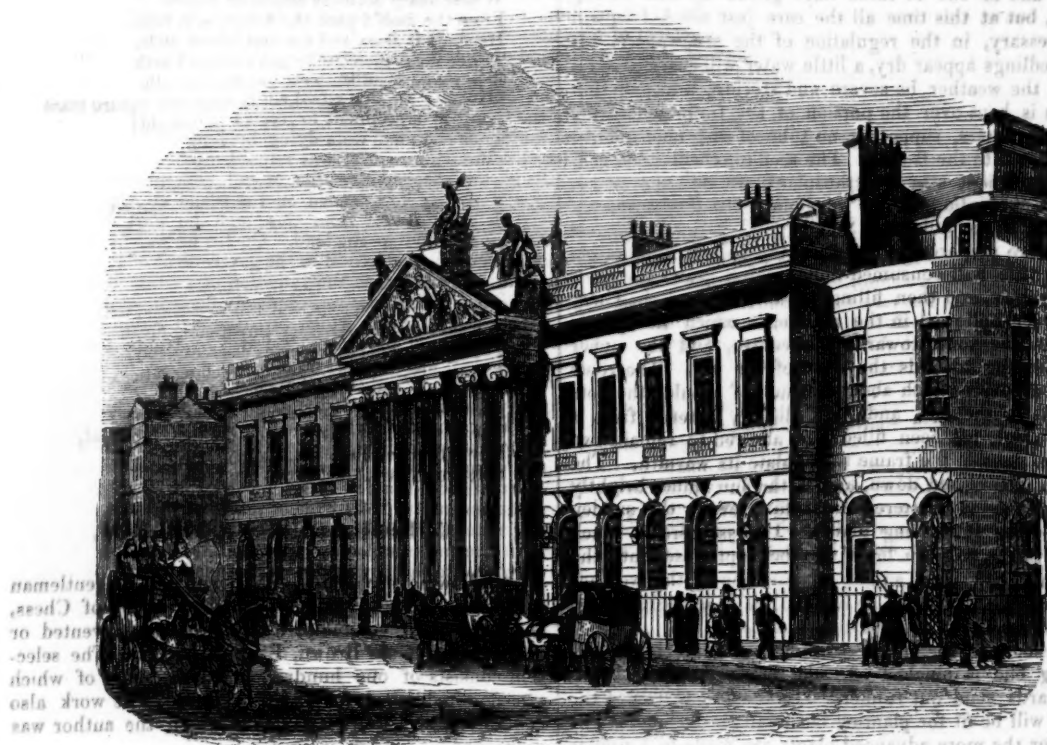




## HISTORICAL SKETCH OF THE ORIGIN, RISE, AND PROGRESS OF THE EAST INDIA COMPANY.



EAST INDIA HOUSE—MODERN FRONT.

### III.

#### SECTION I.

#### PROCEEDINGS OF THE COMPANY DURING THE PROTECTORATE, UP TO THE RENEWAL OF THE CHARTER AT THE RESTO- RATION.

In the treaty of peace to which Cromwell compelled the Dutch to submit, commissioners were appointed to adjust the claims of the rival East India Companies, for compensation for the damages which each asserted they had sustained. In August, 1654, eight commissioners, four Dutch and four English, met in London, when the English Company stated the amount of their damages, as established by a series of accounts from the year 1611 to the year 1652, at 2,695,999*l.* 15*s.* But on this, as on other occasions, the English Company was outwitted by its crafty rivals. The Dutch brought forward accounts, in which they estimated their damages at no less a sum than 2,919,861*l.* 3*s.* 6*d.* Each party seems to have entertained the notion that a very large display of figures was calculated to give the appearance of reality to their respective claims, and to make out a case for the arbitrators; but the inquiry seems to have been conducted with that cool impartiality, which the absence of any personal interest in the result of the inquiry, could alone impart. In their award, the commissioners published a general amnesty for all past injuries and losses, and decided that the island of Polaroon should be restored to the English; that the Dutch should pay to the English Company the sum of 85,000*l.* by two instalments; and further, that the sum of 3,615*l.* should

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be paid to the heirs or executors of the sufferers at Amboyna.

The state of the Company's affairs, previous to this award, had, to a certain extent, prevented the introduction of questions affecting the charter and privileges of the Company; but no sooner was the relation between a foreign rival and the London Company placed on a more amicable basis, than a new opposition arose with pretensions respecting the extension of trade, as were calculated to attract the notice of the Protector, and of the Council of State. In 1654, that particular body of proprietors, including the Assada merchants, to whom the united joint-stock belonged, presented two petitions to the Council of State, praying that the East India Company might not be allowed any longer to proceed, exclusively, on the principle of a joint-stock trade; but that the owners of the separate funds should have authority to employ their own capital, servants, and shipping, in the way which they themselves might deem most to their own advantage. The Directors, whose power and consequence were threatened, hastened to urge their reasons why the prayer of the petitioners should not be granted. The petitioners replied; and in this way, by statement and counter-statement, considerable time elapsed. The question became complicated by the clashing interests of the owners of the separate stocks. The respective proprietors of the third, fourth, and united joint-stocks, all put in claims to the island of Polaroon, and the compensation money received from the Dutch. As it was difficult to decide to which party the money belonged, Cromwell proposed to borrow it; but the Directors urged

reasons why it should be placed immediately in their hands: they called attention to the pecuniary embarrassments of the Company, the different stocks being in debt to the amount of 50,000*l.*; and stated that many of the proprietors were in embarrassed circumstances for want of their dividends; but, nevertheless, feeling very grateful to Cromwell for his protection, they would endeavour to spare him 50,000*l.*, on having an agreement, under the Great Seal, for repayment in eighteen months by equal instalments; and requested that the remaining 35,000*l.* might be directly assigned to the Company to pay their most pressing debts, and to make a dividend among the proprietors.

The Council of State referred the whole dispute to five arbitrators; and while they were deliberating, the Merchant Adventurers (as the proprietors of the united stock were called) obtained a commission from the Protector to fit out four ships for the Indian trade, under the management of a committee. It is curious to notice the effect of this measure in Holland: the merchants were filled with dismay at what they called the opening of the trade; they were able to oppose with success the feeble efforts of a badly managed and embarrassed company; but they knew their opposition would be vain against a whole nation of merchants trading on their individual interests. But the fears, both of Dutch and English Directors, were alike groundless; for although during some time ships continued to be sent out under licenses, the Council at length, after some deliberation, advised the Protector to continue the exclusive trade and the joint-stock, and a committee of the Council was appointed to consider the terms of a charter. The effect of this decision was to produce a coalition between the Company and the Merchant Adventurers, on the strength of which, a new subscription, to the amount of 786,000*l.*, was made in 1657-58.

In India, while the trade of the Company was almost annihilated, the Dutch continued to prosper. They had obtained many advantages over the Portuguese, and among others, possession of Ceylon; and their command of the navigation of the Malabar coast of India was becoming more and more complete, thus enabling them to impose most ruinous duties on the English trade. The Company was now, however, somewhat better able to cope with their rivals.

The first proceeding of the new body of subscribers was to form an adjustment with the owners of the preceding funds. The factories, establishments, and privileges in India were assigned for the sum of 20,000*l.* The ships, merchandize, &c., were also taken at a valuation; and matters were so arranged, that the Directors had only one stock to deal with, and consequently one distinct interest to pursue; "a prodigious improvement on the preceding confusion and embarrassment, when several stocks were managed, and as many contending interests pursued at once."

The first fleet of the new Company consisted of five ships for Madras, Bengal, Surat, Persia, and Bantam. Instructions were given to use the greatest efforts to improve and extend the trade, and, if possible, to recover a share of the spice trade. The success of these efforts, if any were made, seems to have been but small, for the Company afterwards passed resolutions to relinquish many of their out-stations, and to limit their trade in the peninsula of India to the Presidencies of Surat and Fort St. George, and their subordinate factories.

At the restoration of Charles II., after the death of Cromwell, the Company directed the attention of government to the hardships which they still endured at the hands of the Dutch. An order was in consequence obtained, empowering them to take possession of the island of Polaroön; but in a subsequent statement, they complained that it was delivered to them in such a state of prepared desolation as to be of no value, the Dutch Governor-General at Batavia having issued secret orders to destroy all the spice trees on Polaroön. On the recommencement of hostilities between England and Holland, the Dutch once more expelled the English; and by the treaty of Breda, the island was finally ceded to the Dutch.

As it had always been the policy of the Company on every change of government to obtain a confirmation of their exclusive privileges, they presented a petition for a renewal of their charter, which was accordingly granted; and the new charter, bearing date 3rd April, 1661, confirmed the ancient privileges of the Company, and gave them authority to make peace and war with any prince or

people not being Christians; and to seize unlicensed persons within their limits, and send them to England. This measure, however, had no immediate effect in increasing the prosperity of the trade; but, on the contrary, instructions were sent to India to reduce the circle of operations. At Surat the out-factories and agencies were suppressed; and on the Coromandel coast, the wars among the natives, and the influence of the Dutch, threatened to destroy the trade of the English.

About this time, the island of Bombay was ceded to Charles II. as part of the dowry of the Infanta Catherine; and a fleet of five men-of-war, commanded by the Earl of Marlborough, with 500 troops, under Sir Abraham Shipman, were sent to receive possession. They arrived at Bombay on the 18th September, 1662; but as the English understood the treaty to include the cession of Salsette, and the other dependencies of Bombay, while the Portuguese denied that it referred to anything more than the island of Bombay, the governor evaded the cession altogether, until more definite instructions had been received from Portugal. In this emergency, application was made to the Company's president to receive the troops and ships at Surat, as the men were dying by long confinement on board. But this request was refused, from a dread of incurring the suspicion of the Mogul government. The troops were therefore landed on the island of Angedivah, twelve leagues distant from Goa, and the Earl of Marlborough proceeded to England. On his arrival in 1663, a remonstrance was addressed to the government of Portugal, but without success, as the intention of parting with the dependencies of Bombay was expressly denied. After considerable delay, during which Sir Abraham Shipman, and the greater part of the troops, had died by famine and disease, Bombay was accepted on the terms prescribed by the Portuguese; the English renouncing all claim to the contiguous islands, and allowing the Portuguese exemption from the payment of customs. The king refused to ratify this convention, as being contrary to the terms of his treaty with Portugal; but he, nevertheless, sent out a governor. The experience of a few years proved that Bombay cost the government far more than it produced; it was, therefore, granted to the Company in 1668, "to be held of the king in free and common socage, as of the manor of East Greenwich, on the payment of the annual rent of 10*l.* in gold, on the 30th of September in each year."

The Company obtained some renewed privileges from the Mogul government, in consequence of the successful resistance which the Company's servants opposed to Sivajee, the founder of the Mahratta power, who, in 1664, and again in 1670, attacked the city of Surat. In Bengal the Company was less fortunate; a junk having been imprudently seized on the Ganges, a dispute arose, which, during several years, exposed the factory at Hoogly to much molestation. In 1662-63, the chief at Madras sent an agent to endeavour to appease the Nabob of Bengal, and to establish fresh agencies; but the Company's funds were too limited to effect much in this rich province.

The power which the Company had received to put down all competitors, was frequently exerted with an unsparing hand. The case of Thomas Skinner, a merchant, is celebrated on account of the angry dispute which, in 1666, it produced between the two houses of parliament. The following version of this case is by Mr. Mill, who rests upon the authority of Macpherson. Skinner had fitted out a vessel in 1657 for the purposes of trade with India. "The agents of the Company seized his ship and merchandize in India; his house, and the island of Barella, which he had bought of the King of Jambee. They even denied him a passage home; and he was obliged to travel overland to Europe. The sufferer failed not to seek redress, by presenting his complaint to the government; and after some importunity, it was referred, first to a committee of the Council, and next to the House of Peers. When the Company were ordered to answer, they refused to acknowledge the jurisdiction of the peers, on the ground that they were only a court of appeal, and not competent to decide in the first resort. The objection was overruled. The Company appealed to the House of Commons; the Lords were highly inflamed; and proceeding to a decision, awarded to the petitioner 5,000*l.* The Commons were now enraged in their turn; and being unable to gratify their resentments upon the House of Peers, which was the cause of them, they were pleased to do so upon the unfortunate gentleman, who had already paid so dearly for the crime (whatever its amount) of infringing the Company's monopoly. He was

sent a prisoner to the Tower. The Lords, whom these proceedings filled with indignation, voted the petition of the Company to the Lower House as false and scandalous. Upon this the Commons resolved, that whoever should execute the sentence of the house in favour of Skinner, was a betrayer of the rights and liberties of the Commons of England, and an infringer of the privileges of their house. To such a height did these contentions proceed, that the king adjourned the parliament seven times; and when the controversy, after an intermission, revived, he sent for both houses to Whitehall, and by his personal persuasion induced them to erase from their journals all their votes, resolutions, and other acts relating to the subject." The contest, of which both parties were tired, was thus ended; but Skinner obtained no redress.

It would perhaps be impossible at this distance of time to ascertain the justice of Skinner's claims. That he suffered in the course of the above dispute there can be no doubt, but with respect to the justice of his charge against the East India Company there is a doubt. It appears from the inquiries made by Mr. Wilson, the judicious editor of the last edition of Mr. Mill's *History of British India*, that Thomas Skinner was preceded at Jambee by his brother, as agent of the merchant adventurers. On the union of the two companies he was directed to transfer his agency to persons sent out by them. After some delay he made over his assets to the united stock, together with his debts. "The property then, whatever it might have been, was not Skinner's, but that of the united company, but it seems to have been in the possession of Thomas Skinner, and to have been recovered from him by the aid of the Sultan of Jambé, whether legally or not, may be questioned, but Skinner was certainly not dispossessed of his property 'for the crime of infringing the Company's monopoly.'"

In the year 1664 the French formed the design of an East India Company, to which the Court of Directors in London offered some feeble opposition. In the following year a temporary quarrel between this country and France procured for the Company in India the opposition of that power as well as of Holland. The difficulties of the English in India were indeed great, and their means of opposing them were to a great extent absorbed in maintaining their factories, and the houses, lands, and fortifications, connected with them. These factories consumed the best profits of their trade; whereas the Dutch maintained but very few such costly establishments; for by making arrangements with native merchants, the commodities for which they had contracted were brought to the ports at fixed seasons, and thus cargoes were obtained nearly at the cost of the goods alone.

But the Company was now about to partake of that spirit of improvement which had long actuated the people of this country. The general increase of wealth and intelligence enabled the Directors in the year succeeding the acquisition of Bombay, to provide a larger fleet and cargo than had ever yet been sent forth. The dispatch of the season of 1667-68 is memorable as containing the first order of the East India Company to their agent at Bantam "to send home, by these ships, one hundred pound weight of the best tea that you can gett." During several years the efforts of the Company to send out respectable fleets were well directed. In 1673, the island of St. Helena was captured from the Dutch, and granted to the Company. The English and French were now leagued against the Dutch, and would probably have humbled these hitherto successful rivals but for fear of encouraging them to call in new competitors to their assistance.

During several succeeding years the history of this Company reveals no very important events; with all their efforts they do not seem to have been very prosperous at home; they were loaded with debts, and seemed to need all the support which could be procured from the eloquence and reasoning of Sir Josiah Child, an eminent member of the body of Directors, who, in 1667, published his *Discourses on Trade*. In 1674-75, a mutiny occasioned by retrenchment broke out at Bombay. In suppressing it, the Company exercised the formidable powers of martial law. The trade of Bengal had now become very important; attempts were made to cultivate the trade with China; in 1676-77 tea to the value of one hundred dollars was ordered on the Company's account. In 1667 a peculiar misfortune occurred at Bantam. The principal persons of the factory having gone up the river in their prows, a number of Javanese assassins who had concealed themselves

in the water suddenly sprung upon them and put them to death.

## SECTION 2.

## PROCEEDINGS OF THE COMPANY UP TO THE YEAR 1708.

From the time of the renewal of the Company's charter shortly after the accession of Charles the Second to the year 1682, no opposition had been offered to the monopoly by Englishmen except in the case of a few private traders, who were easily disposed of. But in the year just named, a plan was issued for the establishment of a rival East India Company, and the project accorded so well with the general feeling of the nation that it was taken into consideration by the King and Council. Although the sanction of the council was not immediately granted, the negotiation had a curious effect on the old Company; they magnified the extent and importance of their trade, and endeavoured to show that the prosperity of the country partly depended on the continuance of the East India trade in its present form. It appears, however, that at this time the Company was grievously oppressed by debt, and was still incurring fresh liabilities. In 1682-83, the Directors authorized the agency in Bengal to borrow two hundred thousand pounds, and in the following season the debt upon the dead stock at Bombay alone is stated at three hundred thousand pounds. Misfortune continued to follow their undertakings in the East. The King of Bantam and his son were at war, and the English assisted the one, and the Dutch the other; the son prevailed, and the English were expelled from Bantam; whereupon the presidency for the government of the Eastern coast was removed to Fort St. George.

The heavy debts which the Company had incurred tempted the Directors to endeavour to increase the revenues of Bombay by additional taxation, &c., and also by depriving their servants of some of their emoluments. Either operation was dangerous, but both acting together led not unnaturally to a revolt. The commander of the garrison at Bombay, Captain Kirgwin, was joined by the troops and a great body of the people in renouncing the authority of the Company. In December, 1683, they declared that the island should from thenceforth belong to the King; Kirgwin was appointed Governor, and letters were dispatched to the King and to the Duke of York, containing an explanation of this affair. The president and council at Surat endeavoured by negotiation to recover the authority of the Company, but without success. An order was sent from England commanding the insurgents to surrender; and this, backed by the eloquence of an armed force, procured submission; Kirgwin being first assured of a free pardon to himself and his adherents. After this event the seat of government was removed from Surat to Bombay, which in 1687 was elevated to the dignity of a regency, with unlimited power over the rest of the Company's settlements, and Madras was formed into a corporation, governed by a mayor and aldermen.

The Company having sustained a series of injuries from the native powers in Bengal, determined in 1685-86, to seek redress and protection by force of arms. Ten armed vessels with infantry were sent out with instructions to seize and fortify Chittagong, and to retaliate upon the Nabob and Mogul in such a manner as to obtain redress for injuries and losses already sustained. The Governor in India was also directed to add to this force. It happened by some unfortunate accident that this force did not arrive at one time in the Ganges, and an insignificant quarrel between some English soldiers and the natives was a signal for commencing hostilities. The English were worsted and compelled to take shelter in Chutanuttee, afterwards Calcutta, till they could come to terms with the Nabob, or receive additional forces to enable them to face him. The Directors complained most bitterly of the failure of this scheme. After much fighting, and the loss of two factories, an accommodation was effected in September, 1687, and the English were allowed to return to Hoogly, from which they had been expelled, with their former privileges. But the Directors, who seem to have been seeking conquest as well as reparation, were not satisfied with this termination; they sent out a large ship accompanied by a frigate, with instructions for war; but failure was again the result, and Bengal was abandoned.

These proceedings exasperated Aurengzebe, the most powerful of the Mogul sovereigns, and the Company's establishments in every part of India were now attacked, seized, and all but ruined. The English made the most



abject submission; and nothing but the circumstance that the trade was profitable to the Mogul, prevented a total expulsion of the English from India. The Directors, however, seem to have been impressed with the necessity of acquiring dominion in India. In their instructions forwarded in 1689, they say:—"The increase of our revenue is the subject of our care, as much as our trade: 'tis that must maintain our force, when twenty accidents may interrupt our trade; 'tis that must make us a nation in India; without that we are but as a great number of interlopers united by His Majesty's royal charter, fit only to trade where nobody of power thinks it their interest to prevent us;—and upon this account it is, that the wise Dutch, in all their general advices which we have seen, write ten paragraphs concerning their government, their civil and military policy, warfare, and the increase of their revenue, for one paragraph they write concerning trade."

About this time the Company acquired by purchase Tegnapatam, a town and harbour on the Coromandel coast, a little to the south of Pondicherry, which they fortified, and named Fort St. David. An attempt was also made to economise the methods of conducting their trade by employing Armenians\*, "because that people could vend English woollens, by carrying small quantities into the interior provinces, and could collect fine muslins, and other new and valuable articles suited to the European demands, better than any agents of the Company could effect under any phirmand or grant which might be eventually purchased."

In England the continuance of the East India monopoly was regarded with impatience, not only because it was founded on a royal charter, unsupported by parliamentary sanction, but because a general feeling prevailed that the trade ought to be thrown open to private enterprise, and of this view the House of Commons partook. A committee appointed to inquire into the subject reported in January, 1690, their opinion in favour of a new company to be established by Act of Parliament; and in the following year an address being presented by the House to the King, praying him to dissolve the Company and incorporate a new one, his Majesty referred the question to a Committee of the Privy Council. This committee reported, under the advice of the judges, that the Company could not legally be dissolved without three years' notice, and that no other company could commence operations until that term had expired. The Commons, after many warm debates on the subject, presented an address of the whole House to the King (25th February, 1692-3), praying his Majesty to dissolve the Company upon three years' notice; to which his Majesty replied on the 2nd of March, that he would consider their address. A few days after this, parliament was prorogued.

Notwithstanding the claim asserted by the House of Commons that parliament had a right to consider and sanction the terms upon which the Indian trade was in future to be conducted, a new charter was granted by letters-patent from the Crown. The chief conditions were, that the capital of the Company should be increased from 756,000*l.* to 1,500,000*l.*; that their exclusive privileges should be confirmed for twenty-one years; that they should export every year 100,000*l.* of British produce; that the title to a vote in the Court of Proprietors should be 1000*l.*; and that no more than ten votes should be allowed to any one person.

The Commons were very indignant at this proceeding, and voted, "That it was the right of all Englishmen to trade to the East Indies, or any part of the world, unless prohibited by act of parliament." The Company's books were inspected, and considerable surprise excited at the large sums of money which had been expended for special services in the year 1693. During the reign of James II., about 1200*l.* a-year had been thus expended, and this sum had gradually increased, so that in the year 1693 it amounted to nearly 90,000*l.* Sir Thomas Cooke, the governor of the Company, and some of the principal members, were called before the House of Commons, but they refused to account for the money. Cooke was thereupon

sent to the Tower; and a bill was passed to compel him to make the discovery. In the House of Lords, Cooke was zealously defended by the Duke of Leeds, President of the Privy Council; but the Duke himself was impeached by the Commons, under the charge of having received a bribe of 5000*l.*; but the absence of a material witness, and a speedy prorogation of parliament, terminated the inquiry.

Meanwhile the Company continued to labour under the greatest financial distress. They had long ceased to pay any dividend at home, and in India their agents were forced to borrow money to purchase a cargo for even three ships. They had also to contend with a new misfortune. "The fame of Indian riches attracted to the eastern seas adventurers of all nations; some of whom were professed pirates; others, men preferring honest trade; though, when they found themselves debarred from this source of profit by the pretensions and power of monopoly, they had no such aversion to piracy as to reject the only other source in which they were allowed to partake." The vessels of Mogul subjects occasionally fell into the hands of these English plunderers; and as the Mogul government either could not or would not distinguish between one set of Englishmen and another, the Company was held responsible for every act of aggression; their goods were confiscated, and their servants imprisoned. In their complaints at home, the Directors associated private traders and pirates in one class, to which they referred all their misfortunes, and even attempted to attach the stigma of piracy to the new rival association noticed at the head of this section, which was now swelling into importance.

In 1698 the Company, anxious to get their charter confirmed, and the monopoly of the Indian trade secured to them, offered to lend the government 700,000*l.*, at 4 per cent. interest. The rival association offered to advance 2,000,000*l.*, at 8 per cent., provided they were allowed to carry on the exclusive trade free from the obligation of trading on a joint-stock. A bill was introduced into parliament to invest the new association with authority, and on this occasion the two opposing parties were heard by their counsel: the existing Company urged reasons why they should be continued as the sole possessors of the trade; their rivals urged objections which were strong enough, but they were debarred the use of those important arguments which bore upon the principle of exclusion: "they who were themselves endeavouring to obtain a monopoly, could not proclaim the evils which it was the nature of monopoly to produce." Mr. Macpherson, remarking that "the art of instantaneously raising large sums, appears not to have been so well understood then as in the present day," says, that the want of money induced the legislature to accept the offer of the largest sum, although at double interest; and a bill for incorporating the subscribers was introduced, and received the royal assent on the 5th July, 1698. The following were its principal provisions:—"That the sum of two millions should be raised by subscription, for the service of government; that this subscription should be open to natives or foreigners, bodies politic or corporate: that the money so advanced should bear an interest of 8 per cent., per annum; that it should be lawful for his Majesty, by his letters-patent, to make the subscribers a body politic and corporate, by the name of *The General Society, intituled to the advantages given by an act of parliament, for advancing a sum not exceeding two millions, for the service of the Crown of England*; that the subscribers might severally trade to the East Indies, each to the amount of his subscription; that if any or all of the subscribers should be desirous, they might be incorporated into a joint-stock company; that the subscribers to this fund should have the sole and exclusive right of trading to the East Indies; that on three years' notice after the 29th September, 1711, and the repayment of the capital of two millions, this act should cease and determine; that the old, or London Company, to whom three years' notice were due, should have leave to trade to India till 1701; that their estates should be chargeable with their debts; and that if any further dividends were made before the payment of their debts, the members who received them should be responsible for the debts with their private estates, to the amount of the sums thus unduly received." The new Company was also prohibited from allowing their debts at any time to exceed the amount of their capital stock.

As the greater portion of the new subscribers desired to trade upon a joint-stock, a charter was issued, forming them into a joint-stock company, by the name of *The English Company trading to the East Indies*. Those sub-

\* "Among the Christians of the East, the Armenians, during the power of the successors of Constantine, had formed a particular sect. When the countries which they inhabited were overrun by the Mahomedan arms, they were transplanted by force, in great numbers, into Persia, and dispersed in the surrounding countries. Under oppression, the Armenians adhered to their faith; and adding themselves to commerce, became, like the Jews in Europe, the merchants and brokers in the different countries to which they resorted. A proportion of them made their way into India, and by their usual industry and acuteness acquired that share in the business of the country which was the customary reward of the qualities they displayed."—MILL.

scribers who refused to join this company, belonged to the *General Society*, also constituted by charter under the act.

"In all this very material affair," says Anderson, "there certainly was a strange jumble of inconsistencies, contradictions, and difficulties, not easily to be accounted for in the conduct of men of judgment." There certainly was a contradiction in the abolition of one exclusive company only to erect another; but the chief defect of the arrangement, was the abstraction by parliament, under the name of a loan to government, of the whole trading capital of a mercantile body, and expecting them to traffic extensively and profitably when destitute of funds. The advance to government ruined the new Company from the very commencement of its efforts: shares fell to a discount; the first voyage was very insignificant, and the disappointed expectations of the subscribers increased the depression.

The old Company, as may be supposed, contributed somewhat to the failure of the new one: they acquired influence in its arrangement by the purchase of shares; by great exertion furnished an equipment for the season 1698-99, amounting to thirteen sail of shipping, 5000 tons burthen, and stock estimated at £2,000. They resolved to seek the favour of the Moguls by the most submissive and respectful behaviour, as well as by offer of services. In their instructions to their servants in India, they represented the late proceedings of Parliament, as the result of party influence. "The interlopers," as they called the new Company, "had prevailed by their offer of having the trade free, and not on a joint-stock;" but they were resolved, by large equipments, (if their servants would only second their endeavours,) to frustrate the speculations of their opponents. "Two East India Companies in England," said they, "could no more subsist, without destroying one another, than two kings at the same time regnant in the same kingdom: that now a civil battle was to be fought between the old and the new Company, and that two or three years must end this war, as the old or the new must give way: that, being venturers, if their servants abroad would do their duty, they did not doubt of the victory: that if the world laughed at the pains the two Companies took to ruin each other, they could not help it, as they were on good ground and had a charter: that when the three years expired, still they had revenues and possessions, and had a share in the new Company's stock to the amount of 315,000*l.*, and were, therefore, entitled to trade annually to India to that amount."

On the strength of this interest in the new Company the old Company continued to negotiate; and they succeeded in obtaining an act of parliament, permitting them to trade as a corporation on their own account after the period of their charter, under the charter of the new Company, to the amount of their stock therein.

The rivalry of the two Companies was most painfully exhibited in India, productive as it was of private malevolence and public violence, the details of which we gladly pass over. These contentions of course had a most injurious effect on the trade, which was witnessed with regret in England. A coalition of the two Companies was generally advocated, and was viewed favourably by the new Company, as their shares declined in value with their prosperity; and by the old Company, as the term of three years, during which they were allowed to trade on their whole stock, approached a termination. After numerous negotiations in the Court of Directors and in the House of Commons, the proposal to unite the two Companies was seriously entertained in April, 1701. Committees from both Companies settled the following terms of union, which were confirmed by the general courts of both Companies in April, 1702. "That the court of twenty-four managers, or directors, should be composed of twelve individuals, chosen by each Company; that of the annual exports, the amount of which should be fixed by the Court of Managers, half should be furnished by each Company; that the Court of Managers should have the entire direction of all matters relating to trade and settlements subsequently to this union; but that the factors of each company should manage separately the stocks which each had sent out previously to the date of that transaction; that seven years should be allowed to wind up the separate concerns of each Company: and that, after that period, one great joint-stock should be formed by the final union of the funds of both." A plan was adopted for equalizing the shares of the two Companies, and on the 22nd of July, 1702, the union received a legal sanction, under the title of *The United Company of Merchants Trading to the East Indies*.

If this union produced something like tranquillity at home, it created considerable disturbance among the functionaries in the East: those who had hitherto been engaged in active rivalry, were now called upon to co-operate as friends; those who occupied offices under one Company were called upon to yield them up, or share them with the servants of another. This sudden mingling of two hitherto opposing elements, naturally produced discord and confusion in England as well as at the immediate scene of discord, and the contentions lasted until the season of 1707-8, when an event occurred which showed the United Company that something more than a nominal union was necessary to their success. An application was made by government to the two Companies for a loan of 1,200,000*l.* without interest. The Directors knew that if any difficulty were opposed to this loan on their parts, a new body of adventurers would start up, and tempt the government with some munificent offer, to admit another rivalry in the East India trade; they therefore felt the necessity of laying aside all minor differences, and uniting to overcome the present difficulty. They agreed, after much consideration, to submit all their differences to the arbitration of the Earl of Godolphin, then Lord High Treasurer of England; and that, upon his award being pronounced, the union should be rendered complete and final. An act was therefore passed, to enable the Directors to raise money for the purposes of this loan, and regulate some other of the large money transactions of the Company; the privileges of the Company were also extended from 1711 to 1726, and it was provided, that the terms of the union, to be settled by the award of the Earl of Godolphin, should be binding on both Companies.

This award was published on the 29th September, 1708. It chiefly referred to the blending of the separate properties of the two Companies into one common stock, on equitable terms; and thus was brought to a conclusion, an important event, which, says Mr. Bruce, "distinguishes the two great epochs of the *ancient* and of the *modern* history of the East India Company."

### SECTION 3.

#### PROCEEDINGS OF THE COMPANY UP TO THE RENEWAL OF THE CHARTER IN 1733.

The commerce of India being now settled on a tolerably fixed basis, the Company were in a better condition than formerly to participate in the improved condition of the country generally, and, consequently, to extend their trade and augment their wealth. "The town of Liverpool, which was not formed into a separate parish till 1699, so rapidly increased, that in 1715 a new parish, with a church, was erected, and it doubled its size between 1690 and 1726. The town of Manchester increased in a similar proportion, and was computed in 1727 to contain no less than 50,000 inhabitants. The manufactures of Birmingham, which thirty years before was little more than a village, are stated as giving maintenance at that time to upwards of 30,000 individuals. In 1719 a patent was granted to Sir Thomas Lombe, for his machine for throwing silk, one of the first of those noble efforts of invention and enterprise which have raised this country to unrivalled eminence in the useful arts. The novelty and powers of this machine, the model of which he is said to have stolen from the Piedmontese, into whose manufactories he introduced himself in the guise of a common workman, excited the highest admiration; and its parts and performances are described to us by the historians of the time with curious exactness:—26,586 wheels, 97,476 movements, which worked 73,726 yards of organzine silk by every revolution of the water-wheel, 313,504,960 yards in one day and night; a single water-wheel giving motion to the whole machine, of which any separate movement might be stopped without obstructing the rest; and one fire communicating warmth by heated air to every part of the manufactory, not less than the eighth part of a mile in length. London was increased by several new parishes, and from the year 1708 to the year 1730, the imports of Great Britain, according to the valuation of the custom-house, had increased from 4,698,663*l.* to 7,780,019*l.*; the exports from 6,969,089*l.* to 11,974,135*l.*

"During this period of national prosperity, the imports of the East India Company rose from 493,257*l.*, the importation of 1708, to 1,059,759*l.*; not the least important, the export branch of the Company's trade, exhibited another result. As the exportation of the year 1708 was exceedingly small, compared with that of 1702 and the following years, it is fair to take an average of four years, from 1706 to 1709 (two with a small, two an increased



exportation,) producing 105,773*l*. The exportation of the year 1730 was 135,484*l*., while that of 1709 was 168,357*l*.; that of 1710, 126,310*l*.; that of 1711, 151,874*l*.; and that of 1712, 142,329*l*.

"With regard to the rate of profit during this period, or the real advantage of the Indian trade, the Company, for part of the year 1708, divided at the rate of five per cent. per annum to the proprietors upon 3,163,200*l*. of capital; for the next year eight per cent., for the two following years nine per cent., and thence to the year 1716 ten per cent. per annum. In the year 1717 they paid dividends on a capital of 2,194,080*l*., at the same rate of ten per cent. per annum, and so on till the year 1723. That year the dividend was reduced to eight per cent. per annum, at which rate it continued till the year 1732.

"In the year 1712, on the petition of the Company, the period of their exclusive trade was extended by act of Parliament from the year 1726, to which, by the last regulation, it stood confined, to the year 1733, with the usual allowance of three years for notice, should their privileges be withdrawn\*."

In the year 1716 the Company obtained a proclamation against interlopers. Their complaints arose from the enterprises of British subjects trading to India under foreign commissions; but their proclamation was not sufficient to remedy this evil. They therefore obtained, in 1718, an act of Parliament for punishing all such interlopers. British subjects, trading from foreign countries under the commission of a foreign government, were declared amenable to the laws for the protection of the Company's rights; the Company were authorized to seize merchants of this description when found within their limits, and to send them to England, subject to a penalty of 500*l*. for each offence. The circumstances which had more particularly led to these measures were as follows. After the peace of Utrecht, which bestowed the Netherlands upon the house of Austria, the people began to recover from the devastations of war, and to project measures for the improvement of their condition. A trade with India was one of their favourite plans, from which they hoped to derive the greatest benefit: two ships, therefore, sailed from Ostend in 1717, under the passports of the Emperor, and several more soon followed. The India Companies of England and Holland immediately took the alarm, and communicated their fears to their respective governments. Expostulations were addressed to the Emperor in vain; and the Dutch having gone so far as to capture some Ostend East India ships, the Emperor granted his commission of reprisal to the merchants of Ostend.

In the beginning of the year 1720 these merchants sent six vessels to India, and in the year following an equal number. The English East India Company renewed their complaints. They affirmed that the capital by which the Ostend enterprise was carried on was furnished chiefly by British subjects, and that the trade and navigation were carried on by men who had been bred up in the trade and navigation of the British Company. Another act was therefore passed in 1721, enforcing the penalties already enacted: but this also proved inefficient, so that in 1723 a still more severe act was obtained, prohibiting foreign adventure to India under the penalty of triple the sum embarked, declaring all British subjects found in India, and not in the service, or under the license of the East India Company, guilty of a high misdemeanour, and empowering the Company to seize them, and send them home for punishment.

Meanwhile the Emperor had been importuned by the Ostend traders to give them a charter, and thus constitute them an exclusive company, for he had hitherto induced them to traffic under passports as individuals. In August, 1723, this charter was granted, and in less than twenty-four hours the subscription books of the Company were filled up, and in less than a month the shares were sold at a premium of fifteen per cent. In spite of all opposition, the Ostend Company experienced the greatest success. At a meeting of the proprietors in 1726, the remaining instalment on the subscriptions, equal to a dividend of thirty-three and one-third per cent., was paid up from the gains of the trade. But by this time the political difficulties of the Emperor were so great, that he submitted to relieve himself by sacrificing the Ostend Company, stipulating in words, that the business of the Company should be suspended for seven years; "but all men understood that, in this case, suspension and extinction were the same."

\* ANDERSON'S *History of Commerce*; MILL'S *British India*, Fourth Edition; and *Reports of the Secret Committee of the House of Commons*, as quoted by Mr. Mill

In the year 1730, within three years of the expiration of the Company's charter, a petition was presented to the legislature by the opponents of the monopoly; they offered to lend the government the sum of 3,200,000*l*., which the Company had advanced at five per cent. interest, on far more favourable terms. They also made a proposal for opening the trade, "so that every man in the nation who pleased, might trade in the way of private adventure." The Company was to receive remuneration for erecting and maintaining the forts and buildings abroad; and in order to preserve these fixed establishments, it was proposed that no one should trade to India, except under the Company's license. "And if it were true," says Mr. Mill, "as it has been always maintained, that, for the trade of India, forts and factories are requisite, of such a nature as no individual or precarious combination of individuals, is competent to provide, this project offers peculiar claims to consideration and respect. It promised to supply that demand which has always been held forth, as peculiar to Indian trade, as the grand exigency which, distinguishing the traffic with India from all other branches of trade, rendered monopoly advantageous in that peculiar case, how much soever proved to be injurious in others. While it provided for this real or pretended want, it left the trade open to all the advantages of private enterprise, private vigilance, private skill, and private economy; the virtues by which individuals thrive and nations prosper; and it afforded an interest to the proposed Company, in the careful discharge of its duty; as its profits were to increase in exact proportion with the increase of the trade, and, of course, with the facilities and accommodation by which the trade was promoted."

The arguments advanced in favour of this new scheme were both numerous and plausible, and seem to have fixed the attention of the nation to the subject. Petitions were presented to the House of Commons from the merchants, traders, &c. of London, Bristol, and Liverpool, praying that the trade to India might be thrown open. The press too, for the most part, advocated the popular cause. The Company reverted to the old arguments in favour of the monopoly. They spoke of the grand national importance of their trade, and asked "if it were wise to risk the loss of known advantages, of the greatest magnitude, in pursuit of others which were only supposed." There was no doubt of the importance of the Indian trade; but, as Mr. Mill remarks, "because it is important, to assume, that the monopoly ought to remain, is merely to say, that when a thing is important it ought never to be improved; in things of no moment society may be allowed to make progress; in things of magnitude, that progress ought ever to be strenuously and unbendingly opposed. This argument is, unhappily, not confined to the use of the East India Company. Whoever has attentively traced the progress of government, will find that it has been employed by the enemies of improvement at every stage; and only in so far as it has been disregarded and contemned, has the condition of man ascended above the miseries of savage life. Instead of the maxim, a thing is important, therefore it ought not to be improved; reason would doubtless suggest that the more any thing is important, the more its improvement should be studied and pursued. When a thing is of small importance, a small inconvenience may suffice to dissuade the pursuit of its improvement. When it is of great importance, a great inconvenience alone can be allowed to produce that unhappy effect. If it be said, that where much is enjoyed, care should be taken to avoid its loss; this is merely to say, that men ought to be prudent, which is very true, but surely authorises no such inference as, that improvement in matters of importance should be always opposed."

After much contest, both in and out of Parliament, the offer of the Company was accepted, whereby they agreed to reduce the interest on the whole of the loan to government from five to four per cent., and, as a premium for the renewal of their charter, to contribute 200,000*l*. to the public service. The exclusive privileges of the Company were, therefore, prolonged on these terms until Lady-day, 1766, with the usual addition of three years' notice.

#### SECTION 4.

#### CONSTITUTION OF THE COMPANY AND METHODS OF CONDUCTING THE TRADE.

The effect of the award of the Earl of Godolphin being to unite the competitors for Indian commerce into one

corporate body, the business of the Company became regular and uniform; their capital, composed of the shares of the subscribers, was a fixed and definitive sum; and their proceedings were reduced to a series of operations periodically recurring. A general description, therefore, of the mode by which the Company managed its affairs, will include all that is interesting, during a number of years, in the history of this commercial body.

At an early period in the history of the Company, the general conduct of its affairs was intrusted to a number of proprietors, who formed themselves into a court, and they chose, from their own body a number of persons to form committees, to manage particular portions of the business. The proprietors assembled in a general court; the committees, called afterwards the Directors, assembled in their special courts.

At the time of the award, it was necessary for a subscriber, in order to have a vote in the Court of Proprietors, to be the owner of 500*l.* of the Company's stock; but a greater sum did not entitle him to more than one vote. But in order to become a director, it was necessary to possess at least 2000*l.* of the Company's stock. The directors were twenty-four in number; one was chairman, another deputy-chairman, presiding in the courts. The directors were chosen annually by the proprietors in their general court. Four of such courts were held every year, but special courts might be summoned on emergencies. The Courts of Directors were held as often, and at such times and places as were deemed expedient.

To the Court of Proprietors belonged the right of framing laws and regulations, determining dividends, and making grants of money. It was the duty of the Court of Directors to manage the routine business, and to comply with the ordinances of the Courts of Proprietors, to which the supreme power was secured by their privilege of displacing annually the Directors.

"In this constitution," says Mr. Mill, "if the Court of Proprietors be regarded as representing the general body of the people, the Court of Directors as representing an aristocratical senate, and the Chairman as representing the sovereign, we have an image of the British constitution; a system in which the forms of the different species of government, the monarchical, aristocratical, and democratical, are mixed and combined." But as the sovereignty and the aristocracy were both elective from year to year, the greatest share of power rested with the democracy; and, besides this, the democracy had the sole power of giving effect to the decrees of the whole body. "Under the common impression of democratic ambition, irregularity, and violence, it might be concluded that the democratic assembly would grasp at the whole of the power; would constrain and disturb the proceedings of the Chairman and Directors; would deliberate with violence and animosity; and exhibit all the confusion, precipitation, and imprudence, which are so commonly ascribed to the exercise of popular power.

"The actual result is extremely different from what the common modes of reasoning incite common minds to infer. Notwithstanding the power which, by the theory of the constitution, was thus reserved to the popular parts of the system, all power has centred in the Court of Directors; and the government of the Company has been an oligarchy, in fact. So far from meddling too much, the Court of Proprietors have not attended to the common affairs, even sufficiently for the business of inspection; and the known principles of human nature abundantly secured that unfortunate result. To watch, to scrutinize, to inquire, is labour, and labour is pain. To confide, to take for granted that all is well, is easy, is exempt from trouble, and to the great mass of mankind, comparatively delightful. On all ordinary occasions, on all occasions which present not a powerful motive to action, the great mass of mankind are sure to be led by the soft and agreeable feeling. And if they who act have only sufficient prudence to avoid those occurrences which are calculated to rouse the people on account of whom they act, the people will allow them abundant scope to manage the common concerns in a way conformable to their own liking and advantage. It is thus that all constitutions, however democratically formed, have a tendency to become oligarchical in practice. By the numerous body who constitute the democracy, the objects of ambition are beheld at so great a distance, and the competition for them is shared with so great a number, that in general they make but a feeble impression upon their minds; the small number, on the other hand, intrusted with the management, feel so immediately the advantages, and their affections are

so powerfully engaged by the presence of their object, that they easily concentrate their views, and point their energies with perfect constancy in the selfish direction. The apathy and inattention of the people on the one hand, and the interested activity of the rulers on the other, are two powers, the action of which may always be counted upon; nor has the art of government as yet exemplified, however the science may or may not have discovered, any certain means by which the unhappy effects of that action may be prevented."

It has been already noticed that the business of the Company was transacted by committees of the Directors. Of these there were no less than ten; the first of which was the most confidential and extensive, namely, the Committee of Correspondence. "Its duties were to study the advices from India, and to prepare answers for the inspection of the Court of Directors. To report upon the number of ships expedient for the trade of the season, and the stations proper for each. To report upon the number of servants, civil and military, in the different stations abroad; on the demand for alterations, and the applications made for leave of absence, or leave to return. All complaints of grievances, and all pecuniary demands on the Company, were decided upon in the first instance by this committee, which nominated to all places in the treasury, the secretary's, examiner's, and auditor's offices. It performed, in fact, the prime and governing business of the Company. The rest was secondary and subordinate."

The next committee was that of Law-suits, whose duty it was to deliberate and direct in all cases of litigation. The third was the Committee of Treasury, whose business it was to provide for the payment of dividends and interest on bonds; to negotiate the Company's loans; to purchase gold and silver for exportation, and to decide, in the first instance, respecting pecuniary questions. The fourth Committee was that of Warehouses, the chief concern of which related to the business of importation; it determined the modes of shipping, and arranged the order of sales. The fifth was the Committee of Accounts, whose duties are sufficiently explained by its title. The Committee of Buying was the sixth, whose business was to superintend the purchase and preparation of the standard articles of export. The Committee of the House was the seventh, and its business was to regulate the attendance of the several officers and clerks, and the general domestic affairs of the house. The eighth was the Committee of Shipping, to which was intrusted the hiring of ships and seamen; the purchase or minor stores, &c. The ninth was the Committee of Private Trade, and its business was to adjust the accounts of freight and other charges payable on goods exported for private account in the chartered ships of the Company. The business of the tenth committee scarcely differed from that of the ninth. Its object was to prevent the growth of private trade; to take cognizance of all instances in which the license granted by the Company for private trade was exceeded; to decide upon the controversies to which the encroachments of the private traders gave birth; and to make application of the penalties which were provided for transgression.

Up to the time to which we now refer, the exports had consisted of bullion, lead, mercury, woollen cloths, and hard-ware. The imports were calicoes, and other woven manufactures of India; raw silk, diamonds, tea, porcelain, pepper, drugs, and saltpetre. The annual average importation for nineteen years following the year 1708, was 758,042*l.* On stated days the goods were put up for sale at the India House, and transferred to the highest bidder. The sale of goods in India was conducted in a similar way.

The practice of hiring ships, (*chartering*, as it is called,) was long adopted by the Company; this mode being found preferable to building or purchasing their own, as was at first adopted. They retained merely a few swift-sailing vessels, more for the purpose of intelligence than of freight.

In the purchase, collection, and custody of goods in India, for the purpose of forming a freight to England, a complicated system was introduced, partly in consequence of the weak and unsettled condition of the government; partly from the ignorance of the Company's servants of native manners and character; and partly from the obstinate adherence of the natives themselves to their established customs. "As the state of the country was too low in respect of civilization and of wealth, to possess manufacturers and merchants on a large scale, capable of executing extensive orders, and delivering the goods contracted for on pre-appointed days, the Company were under the necessity



of employing their own agents to collect throughout the country, in such quantities as presented themselves, the different articles of which the cargoes to Europe were composed. Places of reception were required, in which the goods might be collected, and ready upon the arrival of the ships, that the expense of demurrage might be reduced to its lowest terms. Warehouses were built, and these, with the counting-houses, and other apartments for the agents and business of the place, constituted what were called the factories of the Company. Under the disorderly and inefficient system of government which prevailed in India, deposits of property were always exposed, either to the rapacity of the government, or, under the weakness of the government, to the hands of depredators. It was always, therefore, an object of importance to build the factories strong, and to keep their inmates armed and disciplined for self-defence, as perfectly as circumstances would admit. At an early period, the Company even fortified these stations of their trade, and maintained professional troops, as often as the negligence permitted, or the assent could be obtained, of the kings and governors of the countries in which they were placed.

"Of the commodities collected for the European market, that part, the acquisition of which was attended with the greatest variety of operations, was the produce of the loom. The weavers, like the other laborious classes in India, are in the lowest stage of poverty, being always reduced to the bare means of a scanty subsistence. They must at all times, therefore, be furnished with the materials of their work, or the means of purchasing them; and with subsistence while the piece is under their hands. To transact in this manner with each particular weaver, to watch him that he may not sell the fabric which his employer has enabled him to produce, and to provide a large supply, is a work of infinite detail, and gives employment to a multitude of agents. The European functionary, who, in each district, is the head of as much business as it is supposed that he can superintend, has first his banyan, or native secretary, through whom the whole of the business is conducted; the banyan hires a species of broker, called a gomastah, at so much a month: the gomastah repairs to the arrung, or manufacturing town, which is assigned as his station, and there fixes upon a habitation, which he calls his cutchery: he is provided with a sufficient number of peons, a sort of armed servants, and hircarabs, messengers or letter-carriers, by his employer: these he immediately dispatches about the place, to summon to him the dallals, pycars, and weavers: the dallals and pycars are two sets of brokers, of whom the pycars are the lowest, transacting the business of detail with the weavers; the dallals again transact with the pycars; the gomastah transacts with the dallals; the banyan with the gomastah; and the Company's European servant with the banyan. The Company's servant is thus five removes from the workman; and it may easily be supposed that much collusion and trick, that much of fraud towards the Company, and much of oppression towards the weaver, is the consequence of the obscurity which so much complication implies. Besides his banyan, there is attached to the European agent a mohurrer, or clerk, and a cash-keeper, with a sufficient allowance of peons and hircarabs. Along with the gomastah is despatched, in the first instance, as much money as suffices for the first advance to the weaver, that is, suffices to purchase the materials, and afford him subsistence during part at least of the time in which he is engaged with the work. The cloth, when made, is collected in a warehouse adapted for the purpose, and called a kattah. Each piece is marked with the weaver's name; and when the whole is finished, or when it is convenient for the gomastah, he holds a kattah, as the business is called, when each piece is examined, the price fixed, and the money due upon it paid to the weaver. This last is the stage at which chiefly the injustice to the workman is said to take place; as he is then obliged to content himself with 15 or 20, and often 30 or 40 per cent. less than his work would fetch in the market. This is a species of traffic which could not exist but where the rulers of the country were favourable to the dealer; as everything, however, which increased the productive powers of the labourers added directly in India to the income of the rulers, their protection was but seldom denied."

The business of India was at this time under the government of three Presidencies: one at Bombay, another at Madras, and a third at Calcutta. These Presidencies were independent of each other, and responsible only to the

Company in England. A Presidency was composed of a president or governor, and a council; both appointed by commissioners of the Company. The council was composed of the superior servants in the civil, or non-military class. All power was lodged in the president and council, and no business could be transacted except by a majority of votes.

The salaries connected with these offices were but small; but the members distributed all the most lucrative offices amongst themselves; such, for example, as chiefs of the more important factories under the Presidency, where they were able to engage in the internal trade, and also in the trade by sea to all eastern ports north of the equator, except Tonquin and Formosa. Mr. Wilson says that for some time the salaries of the chiefs of Bombay and Fort St. George did not exceed 300*l.* per annum; and those of the merchants and factors were but 30*l.* and 20*l.* per annum. Even as late as the acquisition of all real power in Bengal, the salary of a councillor was 250*l.* per annum; of a factor 140*l.*; of a writer, as then lately increased, 130*l.*; but the Company's servants all engaged, more or less, in the internal trade on their own account.

The president and council exercised full power over all the Company's servants in India; they also had authority over such of their countrymen, not in the Company's service, as dared to trade without license; they were usually seized, imprisoned, or sent to England, and in many cases the treatment seems to have been unnecessarily severe. The president and council were also empowered to exercise civil and criminal jurisdiction according to the laws of England; and the powers of martial law for the government of the troops maintained to defend the factories and Presidencies. At a later period, a Mayor's Court was established in each of the three Presidencies, consisting of a mayor and nine aldermen, empowered to decide in civil cases of all descriptions; they were also vested with the power of holding Courts of Quarter Sessions for the exercise of penal judicature; while the president and council were erected into a Court of Appeal from the Mayor's Court. A Court of Requests was also instituted for the speedy decision of pecuniary questions of small amount.

In addition to these judicial tribunals, whose authority extended only to the British people in India, the Company, "in the capacity of Zemindar of the district around Calcutta, erected the usual Zemindary Courts, for the administration of the Indian laws to the Indian people; the Phoudjary Court for the trial of crimes; and the Cutcherry for civil causes; besides the Collector's Court for matters of revenue. The judges in those tribunals were servants of the Company, appointed by the governor and council, and holding their offices during pleasure; the rule of judgment was the supposed usage of the country, and the discretion of the court; and the mode of procedure was summary. Punishments extended to fine, imprisonment, labour upon the roads in chains for a limited time, or for life; and flagellation, either to a limited degree, or death. The ideas of honour, prevalent among the natives, induced the Mogul government to forbid the European mode of capital punishment, by hanging, in the case of a Mussulman. In compensation, however, it had no objection to his being whipped to death; and the flagellants in India, are said to be so dexterous, as to kill a man with a few strokes of the chawbuck."

The president was commander-in-chief of the military force within the Presidency. It was composed partly of recruits from the various ships; partly of deserters from other European nations settled in India; and partly of natives, called *Sepoys*, from the Indian *sipahi*, or soldier. The average number of soldiers maintained in each Presidency is not well ascertained; but it must have been small, for at the time when the Presidency was established at Calcutta in 1707, an effort was made to increase the garrison to three hundred men.

The Company's servants in India were known as writers, factors, junior merchants, and senior merchants. The writers, or clerks, as they might have been styled, were occupied with the inferior details of commerce, in which capacity they remained five years: they were promoted first to the rank of factor; next to that of junior merchant, in each of which they served three years; they then became senior merchants, and were eligible to serve in the council.

We here close our notice of the East India Company as a commercial body; its further progress being intimately connected with the history of British India.